

REMARKS

Claims 1-4 and 8-40 were pending at the time of the last Office Action. Applicant has amended claim 1 to correct minor typographical errors and canceled claims 4, 10, 11, 13, 20-28, 30 and 31. Thus, claims 1-3, 8, 9, 12, 14-19, 29, and 32-40 are still pending.

Applicant respectfully submits that since the amendments simply correct a minor typographical error or cancel claims, they should be entered as they put the claims in better condition for appeal.

The Examiner has rejected claims 1-4, 8-25, and 29-40 under 35 U.S.C. § 103(a) as being unpatentable over Briscoe and claims 5-7, 26-28, and 41-43 under 35 U.S.C. § 103(a) as being unpatentable over Briscoe and Asokan.¹ Applicant respectfully disagrees.

A. Advantages of Applicant's Technology

In the Amendment of November 19, 2007, applicant pointed out that applicant's technology has an advantage over Briscoe because the consumer itself generates the start code and then registers the end code with the service intermediary. Since the consumer need never send the start code to any other party (e.g., service intermediary), it is impossible for an unscrupulous party to intercept the start code and use it fraudulently. In Briscoe, a broker generates the start code and sends it to a user. Because Briscoe sends the start code to the user, it is possible that Briscoe's start code can be intercepted by an unscrupulous party and used fraudulently.

The Examiner's rejection of all the independent claims is based on the assumption that applicant's technique has no advantages over Briscoe. In particular, the Examiner states that

¹ Applicant notes that claims 5-7 and 41-43 were previously canceled by applicant.

Because the Examiner could not determine any advantage for generating the start code and the rest of the method operates in the same way, the Examiner assumes having the start code generated by the consumer is an arbitrary choice that one of ordinary skill in the art would have been able to make with predictable results.

(Office Action, February 5, 2008, pp. 6, 15, 20, and 22-23.) In following, applicant demonstrates that the Examiner assumption is incorrect and thus Examiner's rationale for rejecting the claims is also incorrect.

In response to applicant's position that applicant's technology has an advantage over Briscoe because the start code never has to be sent from one party to another and is thus not susceptible to being intercepted and used fraudulently by an unscrupulous party, the Examiner states the following:

The Examiner does not believe that allowing one of the parties in a dispute to possess all the knowledge that the dispute resolution intermediary provides an advantage over the prior art. Although the code can not be used in a fraudulent way by another party, the code can be used in a fraudulent way by the consumer, which can not be assumed to be innocent when dealing with dispute resolution.

(Office Action, February 5, 2008, pp. 2-3, emphasis added.) By stating that "the code can not be used in a fraudulent way by another party," the Examiner clearly recognizes applicant's technology prevents "another party" from intercepting and using the code in a fraudulent way. Clearly, if applicant's technology prevents a party who might intercept the start code from using it fraudulently, applicant's technology has a tremendous advantage over Briscoe.

Applicant respectfully submits that even if applicant's technology were still susceptible to fraud by the consumer in certain cases as the Examiner suggest, this does not mean that applicant's technology does not have advantages over Briscoe. A technology can have advantages over a prior technology even if it solves one of many problems of the prior technology.

Moreover, applicant respectfully disagrees with the Examiner's position that "the code can be used in a fraudulent way by the consumer, which can not be assumed to be innocent when dealing with dispute resolution." (Id. at p. 3, emphasis added.) The Examiner provides as an example the following scenario:

if a dispute occurs where the consumer cheats and the end codes do not match, according to the claim language of claim 1 only the end code of the provider is used to determine whether the service is provided.

(Id.)

A consumer cannot perpetrate a fraud using applicant's technology. Applicant would like to first point out that the Examiner apparently misunderstands the language of claim 1. It is the Examiner's understanding that "only the end code of the [service] provider is used to determine whether is service is provided" when the end codes do not match. Applicant's technology uses one end code—so plural end codes cannot possibly not match as the Examiner suggests. The consumer generates the end code and registers it with the service intermediary who provides it to the service provider. So, all parties (i.e., consumer, service intermediary, and service provider) have the same end code. A "dispute" occurs "when the service intermediary determines that the consumer last code and the provider last code are not the same," as recited, for example, by claim 1. When a "dispute" occurs, the provider last code is used to resolve the dispute. If the service intermediary can generate the end code registered by the consumer from the provider last code, then the service provider wins the "dispute." The only practical way the service provider can have a code from which the end code can be generated is if it was provided by the consumer to the service provider when a service was requested and thus is evidence that the consumer requested the services.

Returning to the Examiner's suggestion that a consumer can perpetrate a fraud, applicant will describe various scenarios in which a consumer might try to cheat and demonstrate that the service provider or the service intermediary can detect and prevent

the fraud. According to applicant's technology, the consumer registers the end code with the service intermediary, which provides the end code to the service provider.

First, assume the consumer tries to cheat by providing the wrong end code to the service intermediary and in turn the service provider. When the consumer then requests a service of the service provider, it provides to the service provider the next code in reverse order. The service provider then verifies whether the wrong end code can be generated from the provided next code. Since the wrong end code cannot be generated (by definition of an end code being wrong), the service provider detects that something is wrong and refuses to provide the service, and the fraud is prevented.

Second, assume the consumer tries to cheat by providing the right end code to the service intermediary and in turn to the service provider, but provides the wrong next code to the service provider when it requests a service. The service provider will verify whether the right end code can be generated from the wrong next code. Since the right end code cannot be generated from the wrong next code (again by definition of wrong), the service provider detects that something is wrong and refuses to provide the service, and the fraud is prevented.

Third, assume the consumer tries to cheat by providing the service intermediary with a wrong consumer last code as evidence of the services that service provider has provided. The service provider will also provide to the service intermediary the right provider last code as evidence of the services it provides to the consumer. Since the wrong consumer last code and the right provider last code are different, the service intermediary knows either the consumer or the service provider is trying to cheat, but not yet which one. So, the service intermediary applies the function to the right provider last code to determine if the end code registered by the consumer (which has to be the right end code or the service provider would not have provided any services and would not be providing evidence of provided services) can be generated. If the end code can be

generated, then the service intermediary determines that the consumer is trying to cheat and can authorize payment to the service provider, and the fraud is prevented.

In each scenario, applicant's technology can detect when a consumer is trying to cheat and can take actions (e.g., not providing a requested service or paying the service provider) to prevent the cheating from being successful. So, the Examiner's assumption that a consumer can perpetrate a fraud when using the technique of claim 1 is incorrect.

B. Applicant's Service Intermediary and Consumer do Not Share the Knowledge Suggested by the Examiner

Applicant is puzzled by the Examiner's position that

Because both the intermediary and the consumer share knowledge, the intermediary asking the consumer for the code is a superfluous step with predictable results.

(Office Action, February 5, 2008, p. 7.) According to Briscoe, a vendor who receives a value from a user returns the value to the broker who pays the vendor out of the user's account. (Briscoe, 4:66-5:3.) Before paying the vendor, Briscoe's broker presumably checks to ensure that the value is valid.

Applicant's technology includes "providing by the service consumer to the service intermediary an indication of a consumer last code provided by the service consumer to the service provider," as recited, for example, by claim 1. Before the consumer last code is provided to the service intermediary, the only code that the service intermediary and the consumer share is the end code that the consumer originally registered with the service intermediary. So, the Examiner's assumption that the step of providing the consumer last code to the service intermediary is "superfluous" because they "share knowledge" is incorrect. They do not share the consumer last code until it is provided.

Moreover, Briscoe neither teaches nor suggests that its user provides such a value to its broker. Briscoe never addresses when a dispute arises between a vendor and a user because Briscoe simply determines whether to pay solely on the value provided by the

vendor. Briscoe's broker, of course, needs to ensure that the value provided by the vendor can be used to generate the end code. Applicant's technology avoids the computational expense of this ensuring except when a dispute as to the last code arises.

Based upon the above remarks, applicant respectfully requests reconsideration of this application and its early allowance. If the Examiner has any questions, or believes a telephone conference would expedite prosecution of this application, the Examiner is encouraged to call the undersigned at (206) 359-8548.

Applicant believes no fee is due with this response. However, if any additional fee is due, please charge our Deposit Account No. 50-0665, under Order No. 418268002US from which the undersigned is authorized to draw.

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Respectfully submitted,

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